



 States  
Department of  
Agriculture

JAN 22 2001

Food and  
Nutrition  
Service

3101 Park  
Center Drive

Alexandria, VA  
22302-1500

**SUBJECT:** FMNP Final Policy Memorandum # 2001-1, Revision 1  
Questions from the National Association of Farmers' Market Nutrition  
Programs (NAFMNP) State Plan Session

**TO:** Regional Directors  
Supplemental Food Programs  
All Regions

This final policy memorandum provides clarification on several questions raised during the State Plan Guidance session at the NAFMNP meeting in October 2000. The questions and answers are as follows:

**Interest Earned on Rebates**

**Question:** Can interest earned on WIC rebates be used as an allowable match source for the FMNP?

**Answer:** Yes, the interest earned on WIC rebate money is considered WIC program income. Program income is an allowable match source for the FMNP. As such, it falls under the WIC rules governing program income. This means that it can be used to meet the FMNP match requirement only if the WIC State agency determines that such funds are not needed for WIC Program purposes.

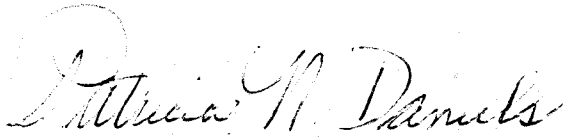
Other questions about allowable match sources will be addressed under a separate FMNP policy memorandum.

**Coupons Used in Compliance Buys**

**Question:** Are the coupons used in compliance buys food costs or administrative costs?

**Answer:** FMNP coupons used in compliance purchases can be either food or administrative costs. Since the level of funds is usually small, it may be costly and difficult to transfer the costs from food to administrative funds. Thus, the costs of effecting and documenting the transfer to administrative funds may exceed the value of

the coupons. It may be more efficient to let the funds remain food costs. Food items obtained in compliance purchases should be donated to charitable organizations.

A handwritten signature in cursive script, reading "Patricia N. Daniels". The signature is written in dark ink and is positioned above the printed name.

PATRICIA N. DANIELS

Director

Supplemental Food Programs Division